

## **Bill & Melinda Gates PAC HUG program**

Grant Funds Rollout Plan

Year One (priorities 1 and 2)

October 2006

The Bill & Melinda Gates Foundation announced their Public Access Computer Hardware Upgrade Grant (PAC HUG) program in September 2005. The first step in the application process was for all Michigan public libraries that had received the original Gates computers to participate in an inventory process. The Library of Michigan invited all Library Cooperative Directors and additional staff, as desired, to a training for this inventory process on September 26, 2005.

Over the next few months, we achieved 100% participation in the inventory process so that the grant to the Gates Foundation could be written for the maximum amount, or \$2,044,500. This funding cap for each state equals the number of computers given in the first round grant multiplied by \$1,500. The Foundation was very clear that this was **not** a dictated amount to be spent per computer, but only their formula for arriving at a maximum grant amount for each state.

The Library of Michigan submitted the grant application to the Foundation in February 2006, asking for \$1,221,792 to replace 1344 computers at 420 libraries in Year One (2006) and \$822,708 to replace 905 computers at 316 libraries in Year Two (2007). This was calculated with a per-unit price of \$850 plus \$59 for eligible expenditures, for a total of \$909 per unit. In consideration of volume discounts, the grant was written to replace 65% more computers for 75% more libraries than were funded in the original Gates grant of 1999. The technology consultant was to provide a menu of negotiated bulk rate pricing based on various vendor offers, the State contract, and other group purchasing rates, such as from the REMC association, MiCTA, etc.

The Library of Michigan received approval of its PAC HUG grant application in March 2006 and the contract agreement process began. By mid-May 2006, contracts were signed and funding was received into the Library of Michigan Foundation in the amount of \$2,044,500. All interest accrued on this money will be put into further computer purchases for public libraries, as specified by the grant.

During the summer months, an effort was made to establish a statewide library technology consultant position with Civil Service, post the position, and interview qualified candidates for hire. The first duty of this position was to roll out the PAC HUG program for the Library of Michigan. Unfortunately, due to a number of circumstances, this process could not be completed.

Because a library technology consultant is not available to work on the rollout of this grant program, the Library Cooperative Directors have agreed to administer grant funds on behalf of their member libraries. The specific process for each cooperative is not prescribed, but each will sign a grant agreement with the Library of Michigan specifying their obligation to their members as well as to the Library of Michigan per the Gates Foundation.

The per computer grant amount for Year One will be increased to \$1060, thanks to the accrued interest on the PAC HUG grant funds that were invested by the Library of Michigan Foundation and reallocation of unused Gates Staying Connected grant funding. In addition, each Library Cooperative will receive \$40 per unit from the PAC HUG administrative funding, saved by not paying the salary for a statewide library technology consultant.

The eligible libraries are scheduled to replace the same number of computers as they were originally granted. If the library has additional computers in need of replacement, this need would potentially be filled in Year Two (2007) when priority 3 needs may be considered. This will be a separate process with different rules, to be determined at a later date.

Libraries that have replaced computers *since* completing the TechAtlas inventory shall be reimbursed at the per-unit rate. Verification of computer upgrades will happen via TechAtlas inventory submission from each library. The original deadline for Year One funds to be spent and computers in place is in process of extension by the Gates Foundation.

The attached spreadsheet shows the libraries that are designated to receive priority 1 and 2 funding (Year One of program).

***PAC HUG Guidelines:***

The Foundation defines a Public Access Computer (a “PAC”) as follows:

- The computer is available for access by the public at no cost and without intervention by staff;

- The computer provides access to external information resources (*e.g.*, the Internet and bibliographic databases); *and*
- The computer can access personal productivity or reference software (*e.g.*, word processing, presentation, spreadsheet, electronic encyclopedia software, or other educational software).

*Eligible Expenditures* include the following:

- Complete PAC systems (CPUs, monitors, keyboards and mice)
- Individual Components for upgrade (hard drives, additional memory, video, networking, or other cards)
- Thin client networks
- Any software for the PACs
- Support services purchased for the computers, such as extended warranty / technical support and replacement services purchased from the original equipment manufacturer or other support vendor
- Installation and configuration / customization of security settings of the PACs to ensure long-term sustainability (*e.g.*, the purchase, installation, or configuration of PAC software or hardware security solutions).

Funds *cannot* be used either to replace or upgrade *staff* computers or other infrastructure, networking or peripheral equipment (*e.g.*, furnishings, network cabling, electrical wiring, switches, firewalls, printers, projection devices, printers, smart boards).

***Program Reporting and Evaluation:***

All reports should identify the number of library outlets/buildings receiving grant funds and the number of computers replaced or added. Additional information may be requested about the impact of the Public Access Computer Hardware Upgrade Program on libraries, patrons and others.